

PROPOSAL

The undersigned hereby proposes to furnish and deliver **up to eight (8) Induced Draft Fan Medium Voltage Variable Frequency Drive Systems** to the Intermountain Power Service Corporation in accordance with **Specifications 45605**.

The undersigned agrees, upon the acceptance of this Proposal: (a) To execute IPSC's form of Contract (including the Contract Agreement and other Contract Documents identified in said Specifications) for furnishing and delivering the items and services embraced in the accepted Proposal; and (b) To perform its obligations under the Contract at the prices stated in the accompanying Proposal Schedule.

The undersigned furthermore agrees that, in case of failure to execute such Contract Agreement and provide the necessary check or Bidder's Bond accompanying this Proposal, and the monies payable thereon, shall be forfeited to and remain the property of Intermountain Power Agency.

The undersigned declares under penalty of perjury that this Proposal is genuine, is not a sham or collusive, and is not made in the interest or in behalf of any person or entity not herein named. The undersigned further declares under penalty of perjury that the bidder has not directly or indirectly induced or solicited any other bidder to submit a sham bid, or any other person, firm, or corporation to refrain from bidding. The undersigned also declares under penalty of perjury that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

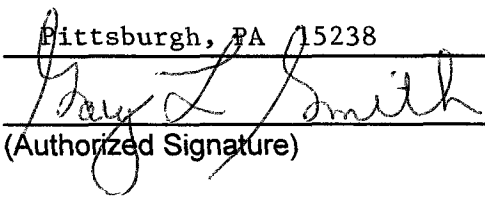
I declare under penalty of perjury under the laws of the state of Utah that the foregoing is true and correct.

Date: September 5, 2003

Bidder: ALSTOM Power Conversion

Address: 610 Epsilon Drive

Pittsburgh, PA 15238

Signed By: 
(Authorized Signature)

Print Name: Gary L. Smith

Title: Deputy Director General Drives

RECEIVED

SEP 08 2003

PURCHASING

PART C- DIVISION C2**BIDDING DOCUMENTS - PROPOSAL SCHEDULE**

Proposal is hereby made to furnish and deliver to IPSC **up to eight (8) Induced Draft Fan Medium Voltage Variable Frequency Drive Systems**, F.O.B., IPP Plant Site, 850 West Brush Wellman Road, Delta, UT 84624, in accordance with **Specifications 45605**, the following:

Lump Sum Price For One (1) Complete Drive System For One (1) ID Fan Delivered In January 2004 Six Hundred six thousand dollars	
Price in Words: _____	Price in Dollars: \$ <u>606,000.</u>
Lump Sum Price For Two (2) Complete Drive Systems For Two (2) ID Fans Delivered In January 2005 One million fourteen thousand dollars	
Price in Words: _____	Price in Dollars: \$ <u>1,014,000.</u>
Lump Sum Price For Three (3) Complete Drive Systems For Three (3) ID Fans Delivered In January 2006 One million four hundred eighty-one thousand dollars	
Price in Words: _____	Price in Dollars: \$ <u>1,481,000.</u>
Lump Sum Price For Two (2) Complete Drive Systems For Two (2) ID Fans Delivered In January 2007 One million twenty three thousand dollars	
Price in Words: _____	Price in Dollars: \$ <u>1,023,000.</u>
Latest Date for IPSC To Exercise Option To Purchase Two (2) Complete Drive Systems In January 2005	
Date: <u>April 30, 2004</u>	
Latest Date For IPSC To Exercise Option To Purchase Three (3) Complete Drive Systems In January 2006	
Date: <u>February 29, 2005</u>	
Latest Date For IPSC To Exercise Option To Purchase Two (2) Complete Drive Systems in January 2007	
Date: <u>March 31, 2006</u>	

****Note: Bids shall include an anticipated payment schedule.**

C2-1

RECEIVED
SEP 08 2003
PURCHASING

IP7_024943

DIVISION C2

PROPOSAL SCHEDULE

Contractor's Technical Services: The following adjuring prices will be used to adjust the Contract amount for manufacturer's service representatives time:

	Daily Rate	Daily Overtime Rate
Per Diem at the IPP Job Site:	\$132./hr.	\$198./hr
Per Round Trip to and from the IPP Job Site:	\$1200.	

Prices: The price or prices shall be firm.

Cash Terms: A discount for prompt payment is offered of _____ percent for Contract payments made within ____ calendar days after date of acceptance or delivery and receipt of invoice.

Taxes: The foregoing quoted prices are exclusive of all applicable sales and use taxes.

Manufacturer: ALSTOM Power Conversion

Location of Point of Manufacture: Pittsburgh, PA

Brand and Catalog Number or Other Designation: SYNCDRIVE

Form of Business Organization: The bidder shall state below the form of its business organization.

Bidder is: Corporation, organized under the laws of the state of Delaware.
(Corporation, Partnership, Limited Partnership, Individual)

If a partnership, the bidder shall state below the names of the partners. If a corporation, the bidder shall state below the names of the president and of the secretary.

Frank Voelker - President

Joseph McGrath - Secretary

Person to Contact: Should IPSC desire information concerning this Proposal, please contact:

Name: Gary L. Smith

Telephone No: 412-967-6912

Address: 610 Epsilon Drive, Pittsburgh, PA 15238

(If different, the address of bidder's chief executive office is:) _____

C2-2

RECEIVED

SEP 08 2003

PURCHASING

IP7_024944

ALSTOM

Power Conversion

Pricing Option

After the first drive has been successfully commissioned and to coincide with the second release of equipment, ALSTOM Power Conversion would propose to offer firm pricing covering the remaining seven drives with associated equipment. Shipment of the remaining seven units would be made based on the following schedule:

Drive Quantity	Ship Date
3	December 2004
2	March 2005
2	June 2005
Release Date for Seven Drives	April ^{MAY} 30, 2004
Total Price for Seven Units	\$ 3,250,000.00

ALSTOM

Power Conversion

Terms of Payment

Our pricing is based on the following progress payment schedule:

% Total Contract Value	Milestone Payment Description
15%	Upon submittal of general arrangement drawings and schematics
25%	Upon initial power converter assembly
10%	Upon delivery of the switches and heat exchanger
45%	Upon delivery of the power converters
5%	Upon startup but no later than 60 days after delivery of last major piece of equipment

Recommended Spare Parts List
Variable Frequency Drive
Intermountain Power - Units 1 and 2

SAD00149

Description	Quantity
Fuse, 4800V	3
Excitation controller	1
Logic termination panel	1
Pump repair kit	1
Cooling system PLC	1
Conductivity cell	1
Conductivity analyzer	1
Filter, paper, 10", 20 micron	6
Signal isolator	1
Solenoid valve	1
Flow switch	1
Stator voltage feedback xfmr	1
Gating power supply	1
Sigma core board	1
Type C interface board	1
I/O assembly	1
Switch mode power supply	1
Pulse amplifier board	1
Power module sharing resistor	1
Power module snubber capacitor	1
Power module snubber resistor	1
Deionization tank	1
Thyristor	6
Distribution board	1
Gating board	1
Power Supply 12v DC	1
Surge Capacitor	2
Surge Resistor	2



**ALSTOM Power Conversion Inc.
ENGINEERING RATE SCHEDULE FOR 2003**

Engineering services are provided at the following rates and in accordance with ALSTOM Terms and Conditions. Payment is due in full net 30 from the date of invoice. Rates are in US Dollars.

These rates apply to work conducted in ALSTOM Power Conversion offices or on customer sites in the USA, Canada or Mexico. For work to be performed in other locations, per diem rates will be formally quoted at a time prior to the service being performed.

Standard Service Price.

Rate 1 – Field Management Services

Straight Time	\$ 176.00 / Hour
Overtime	\$ 273.00 / Hour

Rate 2 - Systems Specialists

Straight Time	\$ 162.00 / Hour
Overtime	\$ 243.00 / Hour

Rate 3 - Field Service and Commissioning Engineers

Straight Time	\$ 132.00 / Hour
Overtime	\$ 198.00 / Hour

Rate 4 – Commissioning Technicians

Straight Time	\$ 104.00 / Hour
Overtime	\$ 152.00 / Hour

Straight time is Daylight Shift worked from Monday through Friday no more than 8 hours. A 10% shift differential will be added to all hours worked other than the Daylight Shift.

Overtime is any time exceeding 8 hours Monday through Friday, all hours worked on weekends and customer recognized Holidays.

Emergency Service is defined as responding to site within 24 hours. A 25% premium will be added to the hourly rates listed above for Emergency Service. Minimum charge is four hours.

Travel Time is the actual time the ALSTOM personnel begins travel to the time of arrival at the assigned destination. Travel time shall be charged at Straight time rates.

Offshore Marine Service Work is chargeable at a minimum of 12 hours for any 24 hour period at sea.

Living and Travel Expenses.

Expenses can be charged in one of two ways to suit the customer.

- a. Cost plus 10%, receipts will be provided.
- b. Fee Hour basis of \$ 34 per Labor hour charged, to a maximum of the first 8 hours (\$272) per 24 Hour period. This rate includes all accommodation, food and local transport. No receipts will be provided.

Travel expenses to and from the assigned destination are not included in this Fee Hour rate and will be invoiced charged separately at cost plus 10%, receipts will be provided.

ALSTOM Power Conversion Inc. reserves the right to change rates without notice.